

The background of the slide features a photograph of a stone wall with the words "University of California, Irvine" inscribed on it. The wall is set against a backdrop of trees and a cloudy sky. The entire image is overlaid with a semi-transparent blue filter. Overlaid on this blue filter are several thin, white, overlapping circles and lines, creating a geometric, network-like pattern.

# UC Irvine

## Recent Federal Agency Actions

Impacts on Research at UC Irvine

May 21, 2025

# Agenda

- ❑ Grant and contract terminations and suspensions
- ❑ New and continuing awards from federal agencies
- ❑ Indirect cost rate: legal situation and path forward
- ❑ FY2026 budgets for federal agencies
- ❑ Q&A



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# Grant Termination & Suspensions



Suspended: **5** awards



Terminated: **51** awards



Total: **56** awards impacted



Total Anticipated Amount  
for Impacted Awards:  
**\$36,481,025.21**

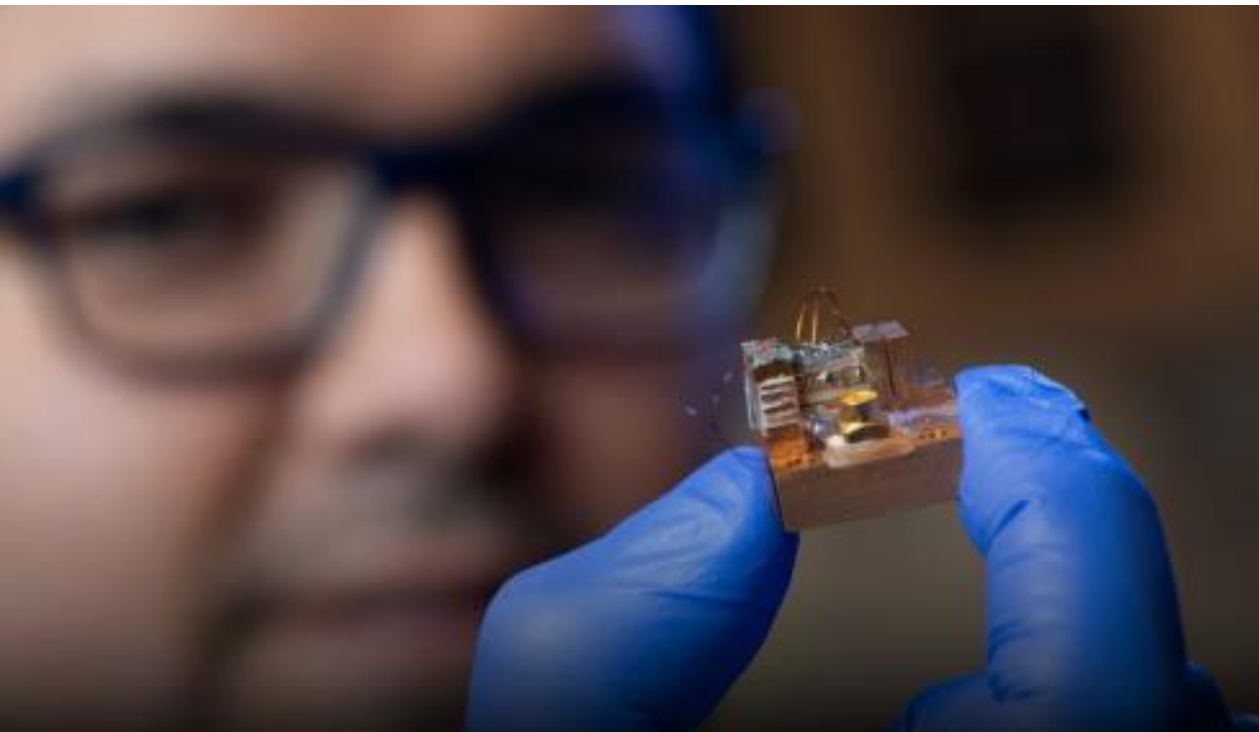
Agency	Suspended	Terminated
United States Agency for International Development	1 incoming subaward	-
Department of Energy	2 incoming subawards	-
United States Department of Agriculture	1 incoming subaward	-
Department of Veteran Affairs	-	1 direct award
United States Environmental Protection Agency	-	1 direct award
National Endowment for the Humanities	-	5 direct awards
National Institutes of Health	-	15 direct awards, 3 incoming subawards
National Science Foundation	-	15 direct awards, 4 incoming subawards
Department of Defense	1 incoming subaward	1 direct award, 1 incoming subaward
Department of Homeland Security	-	1 incoming subaward
National Oceanic and Atmospheric Administration	-	1 incoming subaward
Social Security Administration	1 incoming subaward	1 incoming subaward
U.S. Department of Transportation	-	1 incoming subaward
Institute of Museum and Library Services	-	1 incoming subaward

# Impact Across Disciplines

Rationale Provided in Federal Agency Notification	# of Terminations & Suspensions
Diversity, Equity, and Inclusion	18
Executive Order 14222, Implementing the President's "Department of Government Efficiency"	1
Repurposing of funding allocations in a new direction in furtherance of the President's agenda	5
No rationale provided	3
President's Executive Order on Reevaluating and Realigning United States Foreign Aid	1
End of the pandemic provides cause to terminate COVID-related grant funds	1
Gender Identity	2
Research on vaccination hesitation	1
General statement about the project not aligning with agency priorities	24



# Grant Termination Appeals



## Submitted Appeals

- NIH: 6
- NEH: 2
- DOD: 1
- *No determinations received to date*

## NSF Appeals – Current UC Legal Guidance

- Reinstatement is highly unlikely
- Litigation may not favor NSF appeals



# Mitigation for Impacted Grants

- The Provost has created a special fund to help those whose grants have been impacted
- PI team should work with their Dean to develop a funding request from the Provost fund
- Deans working with the Provost to provide suitable support



# FY25 Agency Budgets & Actions

- FY25 (October 2024 – September 2025): all federal agencies received full year budgets on March 15, 2025
- Budgets for FY25 are essentially unchanged from FY24
- Agencies making new awards but at a very slow rate
  - Federal Awards: \$285M (\$306M in 23-24)
  - Overall Awards: \$558M (\$670M in 23-24)
- Our advice: continue to submit proposals in response to open calls for proposals.





# New, Continuing Grants & Contracts

- ✓ Updates to Standard Terms and Conditions and Certifications
- ✓ As part of the award review process, Sponsored Projects identifies any new policies and required certifications, particularly those recently issued by the National Institutes of Health (NIH) in relation to compliance with certain Executive Orders.
- ✓ Sponsored Projects is working in close collaboration with both campus and systemwide leadership to ensure compliance with new policies and the ability to make new certifications.
- ✓ Sponsored Projects is committed to maintaining compliance, transparency, and staying current with federal funding agency requirements.
- ✓ Sponsored Projects will continue keep the campus informed about any impacts these new policies and certifications may have on the processing of award transactions.



# Grant Terms & Conditions

- NIH issued NOT-OD-25-090 Notice of Civil Rights Term and Condition of Award on April 21, 2025.
- UCI is accepting new and continuing awards from NIH in compliance with NOT-OD-25-090.
- Similar language from NSF recently.
- We expect continuation of such terms and conditions from other agencies.



# Updated NIH Policy on Foreign Subawards

Effective May 1, 2025, and until the details of the new foreign collaboration award structure are released, the National Institutes of Health (NIH) will not issue awards to domestic (U.S.) or foreign (non-U.S.) institutions (new, renewal or non-competing continuation), that include a subaward to a foreign (non-U.S.) institution.

→ See [NOT-OD-25-104](#).

- NIH is establishing a new competing award structure, and it is anticipated that it will prohibit foreign (non-U.S.) subawards from being nested under the parent grant.
- This new award structure may include a primary recipient with independent awards that are linked to the parent award.
- NIH anticipates implementing the new structure by no later than September 30, 2025, prior to Fiscal Year 2026.



# Updated NIH Policy on Foreign Subawards

## What is allowed?

1. Domestic (U.S.) awards cannot offer monetary collaborations, including subawards, to foreign entities.
2. U.S. awardees may fund foreign consultants or purchase unique equipment or supplies from foreign vendors.

## What actions are available?

1. NIH will stop accepting requests for adding new foreign components to current projects.
2. Grantees can renegotiate awards to remove foreign monetary collaborations if the work can be done domestically.
3. NIH will assist in negotiating a bilateral termination if a project cannot continue without a foreign monetary collaboration, considering participant safety and animal welfare.

# Indirect or F&A Costs

## 15% Limitation on Indirect Costs by Agency

- NIH: A permanent injunction has been granted following NIH's request for a final ruling in the case, which aims to expedite the appeals process—suggesting that the legal proceedings are likely to continue.
- National Science Foundation (NSF): The enforcement of the NSF Policy Notice: Implementation of Standard 15% Indirect Cost Rate, NSF 25-034, is currently paused until June 13<sup>th</sup>, when a hearing is scheduled in the United States District Court for the District of Massachusetts.
- U.S. Department of Energy (DOE): A preliminary injunction has been issued prohibiting the DOE from implementing, instituting, maintaining, or enforcing the Rate Cap Policy in any capacity until further orders are provided.
- U.S. Department of Defense (DOD): A new policy was announced on May 14, 2025. Additional information regarding subsequent steps is expected to be released in the upcoming days.



## **Joint Associations Group (JAG) on Indirect Costs**

- JAG Members: AAU, APLU, COGR, AAMC, ACE, NACUBO, SPA, ...
- To undertake a rapid and thorough evaluation of the current direct/indirect cost model of USG funding to academic research institutions, independent research institutions, research hospitals, and medical centers; and
- To develop a new model for funding indirect costs, shared with and discussed by the broad research community, for submission to the Federal Government.
- Timeline for implementation in the FY26 budget process

# FY 2026 Budget

- President's skinny budget [request](#) released on May 2, 2025
  - Proposed cuts to federal research agencies and higher education programs
  - Proposed NIH cut - 37%
  - Proposed NSF cut - 56%
  - Detailed budget expected soon– will have more details on proposed NIH restructuring
- Congressional appropriations process
  - [Senate](#) hearings
  - [House](#) hearings
- There may be another continuing resolution for FY26 with a full budget in Fall 2025.





# What Are We Doing?

- ✓ Working with faculty on a variety of issues related to proposals, grants, and contracts
- ✓ Working within UCI and across the UC system on federal research related topics including legal
- ✓ Collaborating with national organizations such as AAU, APLU, and COGR to advocate for federal funding of academic research
- ✓ Communicating with elected representatives on the value and importance of UCI research and impacts of federal agency actions

**Your questions & suggestions are welcome!**



# Resources

## **UCI Office of Research**

<https://research.uci.edu/impact-of-federal-executive-orders-and-directives-on-federal-grants-and-contracts/>

## **UCI Federal Updates**

<https://uci.edu/federal-updates/>

## **UCI Community and Government Relations Team (Federal, State & Local)**

<https://cgr.uci.edu/about/index.php>

## **International Center Updates**

<https://ic.uci.edu/resources-2/immigration-policy-updates/>

## **UCI Library News & Newspapers**

<https://guides.lib.uci.edu/news>

## **UCOP**

<https://www.universityofcalifornia.edu/federal-updates>

## **COGR**

<https://www.cogr.edu/2025-administration-transition-information-resources>

## **COGR Summary of Executive Orders**

<https://www.cogr.edu/cogr-summary-executive-orders>

